

**MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON FEBRUARY 09, 2022 AT THE TIME OF 12:00 NOON, PRUSUANT TO NOTICE.**

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**BOARD OF TRUSTEES PRESENT**

**SONDRA SMITH – CHAIR  
BLAKE ROEMMICH – VICE-CHAIR  
RONALD SPERRY - TRUSTEE**

**OTHER PRESENT**

**MARK BELL - ATTORNEY  
BRAD M POWELL, DISTRICT MANAGER  
CATHY KINGSBURY, TREASURER  
BRENT E CHRISTENSEN, CHIEF FINANCIAL OFFICER, DISTRICT CLERK  
RICK CECALA, OPERATIONS SUPERVISOR**

Meeting was called to order at 12:03 PM by Chair Ms. Smith.

**1. PUBLIC COMMENTS/CERMONIES/PRESENTATION**

- a. No one in attendance.

**2. MINUTES – APPROVAL**

- a. **Upon motion** made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board accepted the January 12, 2022 minutes as written.

**3. ATTORNEY REPORT**

- a. Mr. Bell handed out a Legislative update and discussed some of the House bills and Senate bills and stated he will bring the final version back to the Board with the approved laws that have been passed and will affect the District.

**4. GENERAL MANAGER/ENGINEERING REPORT**

- a. Mr. Powell reported the District received two new F150 trucks this month and have two trucks on order.

The District sold two F150 trucks: A 2021 F150 Lariat for \$60,500 and the second, a 2021 Platinum for \$67,000 with a combined total of sales \$127,500

- b. Mr. Powell stated he met with Bowen & Collins on the update to the District's Impact Fee Facility Plan and User Fees. Bowen & Collins reported they will have

a completed document ready to present to the Board by the end of this year. Mr. Powell will bring this item back to the Board at a future Board meeting.

- c. Mr. Powell is working on the “Request for Qualifications” (RFQ) for an engineering consultant and he stated he will bring the final draft back to the Board at a future meeting.
- d. Mr. Powell reported he met with the staff at Cottonwood Improvement District and Sandy Suburban Improvement District concerning property at 1200 East 8600 South; part of the property is in Midvalley’s district and a portion is in Sandy Suburban’s district. The portion in the Midvalley’s district has always been a parking lot for an LDS Church and the Church building itself was tied into Sandy Suburban’s sewer system.

If Midvalley was to service the property it would require the developer to either tie into a line that is along the fence lines of the home facing 8600 South or install approximately 750-feet of sewer line in 8600 South. Neither of these options were favorable to the developer.

Sandy Suburban Improvement District has a manhole directly across the street from the Church parking lot and it would seem more logical for the development to connect to Sandy Suburban and not Midvalley; this would mean that both Cottonwood Sewer District and Midvalley Improvement District would need to give up the portion of the property in their district.

Mr. Powell stated he contacted Ms. Smith concerning transferring the property to Sandy Suburban Improvement District and she agreed that would be the reasonable thing to do. Mr. Powell signed the final plat.

Mr. Powell stated that Cottonwood Improvement District passed a resolution involving the boundary change and the developer wants Midvalley to also pass a resolution acknowledging the boundary change for the new subdivision “Pebble Hills”.

Mr. Roemmich asked if there is an official written description showing Midvalley’s boundary? Mr. Bell stated he felt there should be an official written description showing Midvalley’s boundaries.

A new plat map for this development has been prepared and shows the boundary adjustment. After the approvals the new map will be sent to the Lt Governors office to be reviewed and approved.

**Upon motion** made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved Resolution 2022-02-09 a Resolution Approving and Adopting a Boundary Adjustment for the Pebble Hills Estates Annexation.

- e. Mr. Powell reported the inlet and outlet section of the District's shared (with Midvale City) inverted siphon under the Jordan River, there are chain-link fences to protect the facilities. The District does periodic inspection on the siphon and while inspecting Mr. Cecala (Operations Supervisor) noted that the chain-link is rusting very badly and some of the posts are completely rusted away at the base.

Midvalley Improvement District has an agreement with Midvale City (recorded 11/19/10) stating Midvale City is responsible for 15 percent of the cost.

Mr. Powell received two quotes to repair the inverted siphon fence: Allied Fence - \$12,000.00 and Mountain States Fence - \$9,690.00.

**Upon motion** made by Mr. Roemmich, seconded by Mr. Sperry and passed unanimously, the Board approved Mountain States Fence to repair the inverted siphon fences in the amount of \$9,690.00.

Mr. Powell will talk with Mr. Kennedy, Midvale City, and discuss re-negotiating the signed agreement (11/19/10) since the time of the signing Midvale City has grown and their flows to South Valley Water Reclamation Facility are quite a bit higher than they were in 2010. Mr. Powell will keep the Board updated.

- f. Mr. Powell stated the District has been with FirstNet (AT&T) for over 10 years. AT&T offers FirstNet to companies that are considered "emergency responders". The T-Mobile representative has reached out to Mr. Powell and has informed him T-Mobile could save the District \$2,200 a year if the District switched to T-Mobile. T-Mobile does not offer an "emergency responder" package and T-Mobile representative indicated to Mr. Powell that AT&T offers FirstNet to all of their customers, does not matter if they are emergency responders or not.

Mr. Bell would like Mr. Powell to talk to the T-Mobile representative and have them send information that states all customers can use the emergency responder's band.

All of the Trustees agreed since we have not had any issues with FirstNet we should not change carriers.

## 5. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

- a. **Upon motion** made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously the Board approved the Employees 2021 gross earnings \$954,077.

**Upon motion** made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board ratified the January 2022 cash disbursements for \$359,653.73.

## 6. OFFICE REPORT

- a. No Report

## 7. CHIEF FINANCIAL OFFICER REPORT

Mr. Christensen stated that the Trustees have, prior to the meeting, received by email and hand delivery the reports that he will be discussing.

- a. Mr. Christensen reported on the Balance Sheet ending December 31, 2021 which shows everything the District owns and owes. Mr. Christensen stated that most accounts are comparable to the prior year. Mr. Christensen pointed out that the "Investments – Fair Value Adjust" account records the fair value of the investments above the actual cost. He noted that the account dropped down by \$60,215 from last year and this is a non-cash adjustment. Mr. Christensen also pointed out the yearly refund receivable from the Treatment Plant is a conservative estimate and could easily change upwards by as much as \$100,000.

Mr. Sperry inquired as to why some accounts on the balance sheet had the same balances as last year. Mr. Christensen pointed out that the current portions of some of the prepaid expense accounts (assets) did not change as these balances are only the next year's amounts, and the long-term portion of prepaid expenses will change each year. Mr. Christensen also pointed out that various accounts (assets and liabilities) related to the Utah Retirement Systems (URS) are only adjusted annually when the District received the yearly information from the URS in April of each year.

- b. Mr. Christensen reported on the Profit & Loss – Comparison to Prior Year report for the year ending December 31, 2021. Mr. Christensen pointed out that there are explanations for all changes over 10% and over \$10,000 included with the report.

Mr. Christensen noted the Sewage Treatment expense could possibly go down by as much as \$100,000 when the District gets the final yearly refund after the final audit of the treatment plant. He noted that the Repairs and Maintenance expense dropped by \$903,854 as the District did not do any pipe-lining in the current year. Also, last year's pipe-lining expenses included some emergency repair and pipe-lining costs from a leaking pipe with infiltration issues on one of the main lines.

Mr. Christensen informed the Board that the District has budgeted to use the 2021 pipe-lining budget of \$600,000 (that was not spent in the prior year) and combine it with the current year's budget of \$600,000 for a total of \$1,200,000 to be spent in the current year on pipe-lining and manhole rehabilitations projects.

Mr. Christensen pointed out that the District received \$122,399 of Contributed Capital in the form of donated sewer lines from contractors. Mr. Christensen reminded the Board that these donations are only sewer pipes and manholes and is not cash. Mr. Christensen also briefly reviewed smaller changes in various report line items.

Mr. Sperry asked if the District has a Net Income of just over \$1,000,000 how can the District justify raising rates in the next few years. Mr. Christensen responded that a total of \$792,399 of the net income was from not spending on pipe-lining costs and repairs of \$650,000, not having to spend \$20,000 on an election, and from receiving non-cash donations of \$122,399.

Mr. Christensen reminded that Board that the District is budgeting for a net income to replenish the cash reserves that have been used for about \$4,250,000 in the past two years on sewer line expansion projects and the parking lot rehabilitation project. Mr. Christensen also stated that the District has no debt and the District is trying to stay out of debt by replacing the cash reserves used. The Board had a discussion on how expensive debt related costs were and that the District should continue to be debt free.

- c. Mr. Christensen reported on the Profit & Loss & - Budget vs Actual report for the year ending December 31, 2021. Mr. Christensen pointed out that there are explanations for all changes over 10% and over \$10,000 included with the report. There is a large under budget amount of \$97,192 in the Sewage Treatment Fees expense, which the District expects to increase by as much as \$100,000 when the treatment plant has completed their audit in April of this year. Mr. Christensen noted that there is an under-budget amount of \$658,365 in the Repairs and Maintenance account as the District did not spend any funds on pipe-lining and manhole rehabilitation projects.

Mr. Christensen stated that the District does budget conservatively higher in some expense accounts to provide for any emergencies, unforeseen costs and contingencies.

## **8. SUPERVISOR'S REPORT**

- a. Mr. Cecala reported work in the District is still slow because material is still difficult for the contractors to get.

Mr. Cecala stated the Hoppers Restaurant (900 E Ft Union Blvd) will be torn down (the restaurant is closed) and Caines Chicken Fingers drive-thru will be built in its place.

The office building at 7001 South 900 East has been torn down but the District has not received plans on what will be built. The District has expressed a concern, to the owner, since the sewer line is an 8" line and at capacity, if an apartment complex is planned the developer will need to enlarge portions of the sewer main line.

**9. TRUSTEES**

- a. No Report

**10. CLOSED MEETING**

- a. No Closed Meeting

**ADJOURN:** Upon unanimous vote by the Board, the meeting was adjourned at 1:41 PM. The next Board meeting date and time has been changed to March 16, 2022 at 4:00 PM.